

TO BOFISHER

M/017/001

FROM JKTHAMM

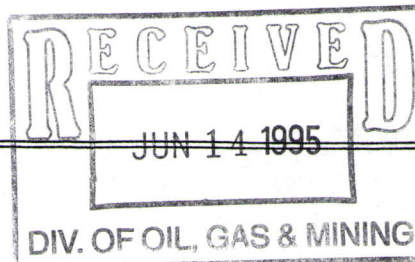
plateau  
resources  
limited

DATE AUGUST 3, 1987

SUBJECT MONTHLY REVIEW FOR JULY, 1987.

INTERNAL CORRESPONDENCE

CC RTBERG  
SPENTICO/FILES



PROCESSING FACILITY:

Stan Morrisson completed a detailed checklist of routine inspection and maintenance requirements for the mill in inactive status. He also wrote a detailed review of requirements which must be completed before any startup of the mill could be considered. Both of these papers will be useful to Daryl Winters, who is being trained as Stan's replacement.

MINE:

MSHA was informed of the new twice-a-month schedule for underground inspections and maintenance at the Tony M. Routine inspections were carried out on July 9 and July 30; no significant problems were detected.

The mine office and the mine personnel office have been thoroughly cleaned. All of the valuable items have been either removed to the mill or locked in the mine vault, and a very large amount of trash and outdated paperwork have been buried in the landfill. All of the saved material will be organized and inventoried as time permits by Cindy Flugrad and Susan Pentico.

Ken Jones set a new depth gauge at the Tony M dewatering pond.

A check for \$62,583 was received from UMETCO on July 17th and forwarded to RTBerg. The check represents approximately 75% of the estimated total value of ore shipments made by PRL in May and June of this year. The unpaid balance of about \$21,000 will be paid by UMETCO later in the year, the exact amount to be determined according to the procedures described in the existing Ore Purchase Agreement.

TICABOO:

A summary of business activity at the Lodge is shown below:

	THIS YEAR		ONE YEAR AGO	
	THIS MONTH	YTD	THIS MONTH	YTD
# OF ROOMS RENTED	414	1443	500	1778
INCOME (TOTAL DEPOSIT)	\$23,857	\$77,725	\$20,949	\$67,238

Twenty of the 47 mobile home and office units sold to Hayden's Trailer Sales of Kingman, Arizona have been removed from Ticaboo. Dennis Womack, Vance Morrill, and Bob Flugrad have cleaned up the vacated spaces by covering the sewer risers and removing the tiedowns, propane and water lines, and the electrical cables.

NRC LICENSE COMPLIANCE:

Mike Pennington completed the required NRC walkthrough inspection of the mill and verified the integrity of the perimeter fence.

A letter report from Noel Savignac included information on uranium mill surety amounts as a function of the amount of tailings produced at each operating location. Plateau's per ton amount is the highest by far of any of the mills listed because it produced only a very small amount of tailings. Noel's conclusion is that PRL should protest to the NRC, and he told me in a telephone conversation of July 30th that Greg Williams is "working on it".

Mike Pennington attended seminars of the Health Physics Society in Salt Lake City during the July 4th weekend on the subjects of Thermoluminescent Dosimeters, Decontamination, and Respirators. Both Mike and Noel attended the meetings to fulfill NRC continuing education requirements of their respective jobs.

An NRC invoice for approximately \$18,000 for charges related to license renewal reviews was forwarded to Roger.

SAFETY:

A possible groin injury to Bob Flugrad caused by heavy lifting was reported to the Worker's Compensation and Industrial Commission, as required. A medical exam detected no injury, but since the accident was reportable, the safety award time-clock must be restarted as of the date of the accident.

A safety meeting for all employees was held on July 30th to review and discuss the subject of reportable injuries and the reporting requirements and procedures.

Underground radon exposure records were updated, but records for Bill Collins, Jack Thamm, Guy Bennett and Dennis Womack are still incomplete.



DISPOSAL OF SURPLUS EQUIPMENT:

Approximately \$11,617 was recovered in July from sales of surplus equipment and supplies, as detailed below:

\$ 2,500-----	sale of one mobile home to Hayden's Trailer Sales
\$ 4,000-----	sale of 3 school trailers and one mobile bunkhouse to Hayden's
\$ 400-----	sale of 8 electrical junction boxes to Lake Powell Yacht Club (Shipyard)
\$ 214-----	sale of 562 pounds of scrap aluminum to " " " " "
\$ 90-----	sale of 599 pounds of 8" steel pipe to " " " " "
\$ 40-----	sale of 2 hydraulic hoses to " " " " "
\$ 13-----	sale of 90 pounds of 3/4" steel plate to " " " " "
\$ 300-----	sale of 4 used 20.5x25 tire casings to Reid Penney
\$ 200-----	sale of one set of scrap tracks for D-6 Cat to Reid Penney
\$ 3250-----	sale of one Blademor grader to Denver East Machinery Company
\$ 500-----	sale of one 1936 flatbed trailer to Dwight Brinkerhoff
\$ 40-----	sale of one 30"x60" table to Susan Pentico
\$ 70-----	sale of one bulletin board to Daryl Winters

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\$11,617-----TOTAL THIS MONTH

\$392,013----TOTAL YEAR TO DATE

JCI has shown renewed interest in purchasing all nine of our 5 ton Getman Ore Carriers. PRL rejected their earlier bid of \$175,000. If they will increase their offer to approximately \$215,000, we will accept it. Guy Bennett will continue to negotiate with them.

LAND AND REGULATORY AGENCIES:

No progress has been made on the Foster Estate Amendment. Tim Foster has been requested to mail two signed and notarized copies of the finalized Amendment to me as soon as his corrections are incorporated into the document.

A letter from the Salt Lake office of the USBLM stated that PRL was in danger of losing the 175 Nancy millsite claims in the buffer zone around the mill because they had not been filed on since 1981. This information is incorrect, and Susan Pentico is working with the records and the BLM people to resolve the problem.

RECLAMATION:

The first of three reclamation projects on Elk Ridge west of Blanding was mostly completed by July 23rd by Bill Collins, Daryl Winters, and Bob Flugrad. Three old and dangerous portals at the "Road" mine were blasted shut, and old equipment left on the property was removed. Costs of the project to date are:

Direct Labor (Bill, Daryl, and Bob; 40 hours each)-----	\$1822
Equipment and Supplies-----	<u>\$ 729</u>

TOTAL TO DATE---\$2551



The Forest Service will inspect our work and notify us of their findings. It is possible that they will require us to do a minor amount of work on the access road there, as well as to drag and seed it, before they will issue a final release.

The Cy's Monument-Waban and Steamboat Point reclamation projects in the same general area have not yet been visited. The USFS has been requested to provide people to accompany us and the claim owner of record to the first of these areas to decide who will do what. There are no known valid claims in the Steamboat Point area, but we have asked representatives of the USFS to be present there for on-site discussions with us. As it turns out, neither they nor we have people who have ever visited these properties; it should be a revelation for both sides.

Frank Filas and Ron Daniels of the Utah Division of Oil, Gas & Mining toured the Lucky Strike #10 and Tony M mining areas with Bill Collins and Jack Thamm on July 28th to discuss final reclamation requirements for each area. In brief, Plateau must be prepared to do the work outlined below:

#### LUCKY STRIKE #10 MINE AREA:

1. Close and secure the 3 portals which lead to the main workings of the Lucky Strike #10 mine. It was agreed, after some discussion, that only these portals must be closed; the numerous shallow workings in the immediate vicinity will be exempt from the closure requirement. It was also agreed that all portal closures could be done by pushing rock or dirt into the portal from the outside, to minimize the danger to the people involved. If complete closure cannot be achieved by this method, we agreed to blast down the brow at the portal.
2. Block the two main access roads leading to the main portals at the north and south ends of the mine, install water bars in them, and finally, drag and seed them.

#### TONY M MINE AREA:

1. Close and secure all portals whose workings connect into the Tony M mine. Besides the two main portals, this probably will include several of the nearby portals, as well as the escapeways.
2. Close and secure all vent holes, either by filling or the insertion of a concrete plug at the surface.
3. Remove all installations (buildings, equipment, etc) for which there is no demonstrable future use.
4. Grade the dumps to 30 degree slopes, and cover them with sufficient topsoil to promote and support the growth of acceptable plant species to a cover equal to at least 70% of the growth in adjoining undisturbed areas.

Other items were discussed but not resolved, such as the final drainage solution to the surface flow which presently enters the dump from the cliff face. Frank agreed to send us a copy of his trip report, which will include a summary of our discussions. He did agree, off the record, that the reclamation program outlined above would probably cost "in the neighborhood of a few hundred thousand dollars".



1987 ASSESSMENT WORK PROGRAM:

The 1987 assessment work for 421 claims was completed in June, as reported. By July 22nd, all of the county filing and recording had been completed, notices had been posted in the field, and the 16 holes drilled this year had been surveyed and plotted on the appropriate drill map.

A letter from Greg Williams to RTBerg dated July 23, 1987 stated that because the required paperwork to relinquish the 37 "Ace" and the 52 "Jet" claims had not been sent to HI Plains in time, that Plateau is still obligated to perform the 1987 assessment work on these 89 claims.

We will do our best to complete the \$8,900 program necessary before the September 1st deadline. If the necessary people and machines are available, and nothing goes wrong, it probably can be done. On the "Ace" claims we may well be in the unique situation of doing assessment work on a group of claims which probably never were valid, while at the same time and place trespassing on a group of valid claims which we have already relinquished !

PERSONNEL:

Approximately 480 of the 1370 total vacation hours available to PRL employees had been used by the end of July; 890 hours, 65% of the total, remain to be used.

Stan Morrisson was informed by CPCO that he had not been selected for the job opening in Michigan. Roger Berg is preparing to mail an early retirement option package for Stan to consider.

MISCELLANEOUS:

Daryl Winters and Sam Sanderson were interviewed on July 28th by attorneys for EIMCO and for Ivan Montgomery, a former Plateau miner who was injured in the Tony M mine in 1982. Depositions had been taken from both Sam and Daryl after the accident and are on file at the mill office. The new depositions apparently are to be used in a legal action by Montgomery against EIMCO, but a consulting engineer working for EIMCO was asking questions aimed at finding out if Plateau may have been at fault in any way. Both attorneys requests to examine some of our files were rejected by me. Each was asked to submit written requests for specific information, which I will forward to your office for consideration. Please advise how you wish this matter to be handled. Daryl's deposition will be typed by the attorney's office and forwarded to Daryl for approval and signature. If you wish to review his statement before he returns it, please let me know. Since Sam no longer works for the company, I presume his deposition is to be considered his personal business.

The opportunity to sell 50,000 tons of stockpiled ore to UMETCO was reviewed and rejected by Michigan on the basis that any sale netting PRL less than the

carried book value of approximately \$23 per ton would result in an unacceptable loss. Since this would have been the case, negotiations with UMETCO were terminated.

An interim license was received from the FCC for the TV translator station. Dennis Womack has been soliciting contributions from Del Webb and from the Shipyard to help defray the cost of replacing the worn out solar batteries at the translator site. The unverified cost of replacing the batteries is now estimated at approximately \$3000. To date, Dennis has received pledges of about \$2500; presumably PRL will contribute the shortfall, now expected to be about \$500.

Our Gardner-Denver mobile air compressor is in need of a major overhaul, but we may be able to get by with a substitute rental unit for the short term. Bill Collins plans to replace the injector pump in the old machine to see if that will give us a temporary fix. Almost certainly a new compressor (\$16,000 for a 190) will be needed for final reclamation work.

On July 21st, an Albuquerque court decision reaffirmed an earlier decision by a federal judge in Denver that the US Department of Energy is responsible to maintain a viable domestic uranium industry. The immediate impact of the new decision is not clear, but most industry people I have spoken with are optimistic about the long-term effect. The upcoming August issue of NUEXCO should feature an article on this subject; if so, I will forward a copy to you.